

NOMINATION OF RICHARD CORDRAY

Mr. DURBIN. Mr. President, experts blame credit default swaps and collateralized debt obligations for the financial crisis. The fact is, these complicated financial products were based on mortgages sold to families who couldn't afford them, credit cards with hidden fees, and loans targeted to low-income individuals with up to 400 percent interest rates. The financial regulators ignored their responsibility to protect consumers from these predatory practices. Because there was not one regulator solely responsible for consumer protection, the financial regulators pointed their fingers at the other guy when the system collapsed. Consumers lost \$17 trillion in household wealth and retirement savings almost overnight.

That is why a bipartisan group of 60 Senators voted last year to consolidate consumer protection authority into one agency: the Consumer Financial Protection Bureau. The CFPB was given new responsibilities to oversee nonbank actors who deal in payday loans, prepaid cards, student loans, and credit reporting.

Mr. President, 200 million Americans rely on credit reporting agencies when they make a big purchase and sometimes when they apply for a job. An estimated 20 million people use payday lenders to make ends meet. I wish they didn't, but they do. Many of them face up to 400 percent interest rates to obtain these short-term loans. Four million Americans have prepaid debit cards. As more companies use these types of products instead of checks or direct deposit, it is expected that over \$670 billion will be loaded into prepaid cards in the next few years. More than \$10 billion in private student loans is given to students, who then face up to 15 percent interest rates. I talked about a few of them in an earlier statement.

Tens of millions of Americans relying on nonbanks for their financial needs will go without protection unless the Consumer Financial Protection Bureau has the resources it needs to help American consumers and a Director.

Earlier this year, President Obama nominated Richard Cordray to be Director of the Consumer Financial Protection Bureau. He was recruited to lead the Enforcement Division and now is being asked to move up and take over the directorship. Before joining, he served as Ohio's attorney general, recovering billions of dollars in pension funds on behalf of retirees and taking on the predatory lenders. Mr. Cordray saw firsthand how the failure to enforce Federal consumer protection laws related to mortgages affected Ohio residents. He has a strong grounding, working with both consumer advocates and the financial sector. He is an excellent choice, and I strongly support his nomination.

Unfortunately, Mr. Cordray is asking to head up a consumer protection agen-

cy which, to paraphrase a former colleague on the floor, the banks hate like the devil hates holy water. The idea that we would give authority to an agency to watch these financial institutions—payday loan operations and the rest—to make certain they don't exploit American consumers drives these banking interests wild. They have done everything they can to stop him from becoming Director and to cut the money available for his Bureau. They don't believe there should be consumer protection. Let the buyer beware. They don't care, at the end of the day, if innocent people suffer across America. But they should.

My colleagues claim there won't be any real checks on his power if Mr. Cordray is given this position, but he is subject to an annual audit by the GAO; he has to report to Congress biannually; is subject to private sector independent audit; monitored by the inspector general of the Federal Reserve; the Comptroller General is required to annually audit the financial transactions of the Bureau; and is subject to the Regulatory Flexibility Act, the Paperwork Reduction Act, the Congress Review Act, and the Administrative Procedures Act, to name a few. The Financial Stability Oversight Council that includes members from across the financial sector can review and overturn CFPB regulations. No other agency is subject to having regulations under its own jurisdiction overturned. But that isn't enough for the special interests that hate the Consumer Financial Protection Bureau. These are the same players who helped create the financial crisis that devastated our economy.

Despite all these measures to ensure congressional oversight, those who couldn't kill the CFPB outright are determined to destroy its ability to act. And now, as we finally start to recover from this economic crisis, the same special interests are protesting efforts to require the disclosure of credit card fees, for example. The same banks that made billions from selling homes to families who couldn't afford them are refusing to modify mortgages so families can stay in their homes. They don't want to change the structure of the CFPB; they want to destroy its ability to protect America's consumers and families. They want to go back to the days of "heads I win, tails you lose," back to the days when we didn't have to worry about a regulator enforcing consumer protection laws.

The CFPB structure is similar to other financial regulators. The Office of the Comptroller of the Currency has been led by one individual with congressional oversight for over 100 years, for example. The Federal Housing Finance Agency, which oversees Fannie Mae and Freddie Mac, is also led by a single Director with congressional oversight. Yet both financial regulators have avoided the political outcry we are hearing about the Consumer Financial Protection Bureau.

Really, what we are seeing, I am afraid, is a partisan effort to block a well-qualified nominee. Many intelligent, decent, and hard-working Americans volunteer to contribute as appointed public servants. They are well qualified, but all too often these days, they can't get through the Senate. This has serious consequences on all Federal agencies and our judiciary.

Yesterday, we saw an incredibly astonishing Republican filibuster of the nomination of Caitlin Halligan to serve in the DC Circuit Court of Appeals. The fact is, those voting against her nomination couldn't come up with a good reason. She had been found by the ABA to be unanimously "well qualified," she had an amazing resume, and she was rejected on a filibuster initiated by the Republican side. That is unfortunate.

I would just say to my Senate Republican colleagues that I think Richard Cordray has the background and experience to lead this agency. He should be given a chance. I know the banks aren't happy that anybody is watching them. These financial institutions—payday lenders and the rest—would rather do their business without anybody looking over their shoulders.

Holly Petraeus is the wife of General Petraeus. She has been working with the Consumer Financial Protection Bureau to stop the exploitation of men and women in military service. She came by my office to talk about what this agency is doing to protect these families. Sadly, some of these families are exploited so badly that they are forced out of the military and have to be discharged. We don't want that to happen. We don't want it to happen to American families who unsuspectingly find themselves lured into financial arrangements that are totally unfair.

Richard Cordray is competent, qualified, and an honorable public servant. He deserves an up-or-down vote. We are going to have that vote probably tomorrow, and I hope he will be confirmed and given an opportunity to lead this important agency.

Mr. President, I yield the floor.

Mr. THUNE. Mr. President, I ask unanimous consent that when I complete my remarks, the Senator from Wyoming, Mr. BARRASSO, be allowed to follow me.

The PRESIDING OFFICER. Without objection, it is so ordered.

KEYSTONE XL PIPELINE

Mr. THUNE. Mr. President, the President of the United States has said repeatedly that he makes jobs his top priority, he wakes up every morning thinking about what he can do to create jobs and how he can create jobs. Yet we have the greatest shovel-ready project in the country right in front of us, and when it comes to that particular project, for some reason the President is suddenly not interested. I think we have to ask the question of why that is. I think there are probably